

## Message Text

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ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 L-03  
/034 W

-----011935Z 025479 /53

R 011655Z JUN 77

FM AMEMBASSY ROME

TO SECSTATE WASHDC 5015

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E.O. 11652: N/A

TAGS: EAIR, IT,US

SUBJECT: CIVAIR: DISCRIMINATION AT ROME AIRPORTS

(A) STATE 116539: (B) ROME 2658

1. EMBASSY BELIEVES ONLY EFFECTIVE WAY TO CONVEY IMPORT OF  
PARA 2 OF REF (A) IS BY FORMAL NOTE THAT POINTEDLY ASKS FOR  
RESPONSES TO BEST QUESTIONS WE CAN PUT ON THE REMAINING DISCRIM-  
INATION ISSUES. EMBASSY PROPOSES TO SEND NOTE, TEXT OF WHICH IS  
PROVIDED IN PARA 2, BUT WOULD APPRECIATE DEPARTMENT'S  
COMMENTS AND APPROVAL.

2. BEGIN TEXT.

THE EMBASSY OF THE UNITED STATES OF AMERICA PRESENTS ITS  
COMPLIMENTS TO THE MINISTRY OF FOREIGN AFFAIRS OF THE ITALIAN  
REPUBLIC AND HAS THE HONOR OF REFERRING TO THE MINISTRY'S  
NOTES 079/04865 OF MARCH 12, 1977 AND 079/7086 OF APRIL 16,  
1977, AND TO THE EMBASSY'S NOTE NO. 271 OF MAY 21, 1976.  
THE MINISTRY'S NOTES THAT STATE ALITALIA HAS PAID  
LANDING, TAKE-OFF, PARKING AND HANGAR FEES FROM 1974  
TO APRIL 16, 1977, THAT THE ADMINISTRATIVE COURT HAS  
REJECTED ALITALIA'S CASE BROUGHT TO OBTAIN OR  
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MAINTAIN SPECIAL TREATMENT WITH REGARD TO SUCH AIRPORT  
CHARGES UNDER ITALIAN LAW AND THAT ALITALIA IS NOW  
HELD TO BE EQUAL IN THIS REGARD TO FOREIGN CARRIERS.  
ON THE BASIS OF THESE STATEMENTS, THE UNITED STATES  
GOVERNMENT CONSIDERS THAT THIS SSUE HAS BEEN  
SATISFACTORILY RESOLVED AND THAT COMPENSATORY CHARGES  
WILL NOT BE ASSESSED IN THE UNITED STATES AGAINST

ALITALIA BECAUSE OF IT.

THE UNITED STATES GOVERNMENT CONSIDERS, HOWEVER, THAT THE OTHER DISCRIMINATION ISSUES RAISED IN THE EMBASSY'S NOTE NO, 271 OF MAY 21, 1976, REMAIN OUTSTANDING. THE MINISTRY'S NOTE 079/04864 MERELY STATES THAT THE PROHIBITION ON USE OF FIUMICINO AIRPORT TO UNITED STATES CHARTER FLIGHTS IS NOT DISCRIMINATION THAT VIOLATES THE BILATERAL AIR TRANSPORT SERVICES AGREEMENT. THE POINT HAS NOT BEEN AT ISSUE.

WHILE THE DISCRIMINATION RESULTING FROM PROHIBITION DOES NOT RELATE TO THE AGREEMENT, THAT DOES NOT MEAN THE UNITED STATES CANNOT ACT TO ADDRESS THE BALANCE. THEREFORE, THE UNITED STATES GOVERNMENT WOULD APPRECIATE A RESPONSE AS TO WHETHER AND/OR WHEN THE ITALIAN AUTHORITIES INTEND TO REMOVE OR RECTIFY THIS SOURCE OF DISCRIMINATION.

DISCRIMINATION ARISING FROM RETENTION BY ALITALIA OF CONTROL OVER ITS GROUND HANDLING SERVICES EXISTS EVEN THOUGH SUCH RETENTION IS AN ISSUE PENDING BEFORE AC COURT. THERE ARE INDICATIONS THAT THE RECENT APPLICATION OF WAREHOUSE AND PORTERAGE FEES AT THE FIUMICINO AIRPORT HAVE HEIGHTENED THE DISCRIMINATION RESULTING FROM ALITALIA'S RETENTION OF CONTROL OVER ITS GROUND HANDLING SERVICES WHILE SOCIETA' AEROPORTI DI ROMA DENIES UNITED STATES AIRLINES THE OPPORTUNITY TO CONTROL LIMITED OFFICIAL USE

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THEIR OWN GROUND HANDLING SERVICES. UNITED STATES AIRLINES HAVE SUFFERED FOR TWO YEARS AND CONTINUE TO SUFFER INJURY RESULTING FROM THIS SOURCE OF DISCRIMINATION, DESPITE THE PROVISIONS OF THE ITALIAN LAW CITED IN THE MINISTRY'S NOTE 079/04865. THEREFORE THE UNITED STATES GOVERNMENT WOULD APPRECIATE A RESPONSE AS TO WHEN THE ADMINISTRATIVE COURT RELIABLY CAN BE EXPECTED TO REACH A DECISION ON THIS MATTER. (COMPLIMENTARY CLOSE) END TEXT.

3. IN RESPONSE TO QUESTIONS IN PARA 3 REF (A) EMBASSY BELIEVES ITALIAN AUTHORITIES DO MEAN TO CONTINUE TO DISCRIMINATE AGAINST U.S. CHARTERS BY DENYING THEM THE USE OF FIUMICINO. WE HAVE NOT SEEN THE LEAST SIGN THAT THE AUTHORITIES INTEND TO DO OTHERWISE. RECENTLY EMBOFF APPROACHED DI MUCCIO (MFA) WITH PROPOSAL THAT FIUMICINO BE OPENED TO U.S. CHARTERS AT LEAST DURING HOURS OF RELATIVELY LOW TRAFFIC DENSITY. AFTER CHECKING WITH CIVILAVIA, DI MUCCIO RESPONDED

THAT THERE WAS NO POSSIBILITY OF OPENING FIUMICINO TO U.S. CHARTERS EVEN FOR A FEW "OFF-HOURS" ON DAYS WITH LEAST TRAFFIC. INFORMAL CHECKS WITH ALITALIA INDICATE THAT ALITALIA IS OPPOSED TO ANY SUCH OPENING. GROUNDS GIVEN ARE THAT TRAFFIC DENSITY AT FIUMICINO IS TOO HIGH ALREADY AND THAT IF A CONCESSION WERE TO BE MADE FOR U.S. CHARTERS IT WOULD HAVE TO BE MADE FOR OTHERS.

4. EMBASSY IS SEEKING RESPONSE TO QUESTION OF WHEN LAZIO REGIONAL ADMINISTRATION TRIBUNAL MAY BE EXPECTED TO RULE ON TRANSFER OF ALITALIA'S GROUND HANDLING SERVICES DIRECTLY FROM THE TRIBUNAL AS WELL AS BY PROPOSED NOTE. NEVERTHELESS, WE REMAIN PESSIMISTIC THAT WE WILL BE TOLD, WITH ANY RELIABILITY, WHEN THE TRIBUNAL IS LIKELY TO ACT. U.S. AIRLINE MANAGERS IN ROME AND EMBASSY AGREE THAT SOCIETA' AEROPORTI DI LIMITED OFFICIAL USE

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ROMA (SAR), ALITALIA, UNIONS AND CIVILAVIA ARE NOT IN ANY HURRY TO PUSH TRANSFER OF ALITALIA'S GROUND SERVICES TO SAR'S CONTROL, AS REQUIRED BY LAW 755, FOR VARIOUS REASONS. MOST IMPORTANT REASON, HOWEVER, IS THAT SAR DOES NOT WANT THE TRANSFER YET BECAUSE, AS EXPLAINED PARA OF REF (B), SAR WOULD BE WORSE OFF FINANCIALLY.

5. EMBASSY SEEKING COST JUSTIFICATION FOR RECENT 10 PERCENT INCREASE IN GROUND HANDLING FEES FROM DGCA COLLINI. U.S. AIRLINE MANAGERS HAVE NOT BEEN ABLE TO OBTAIN SUCH JUSTIFICATIONS. EMBASSY STILL GATHERING FACTS ON NEW CHARGE RAISED LOCALLY BY PANAM AND TWA THAT PROPOSED PORTAGE AND WAREHOUSING FEES ON CARGO WILL DISCRIMINATE AGAINST U.S. AIRLINES. WHILE DECREES HAVE BEEN ISSUED, WITH UNCLEAR WORDING, THEY HAVE NOT YET BEEN IMPLEMENTED.

6. ACTION REQUESTED: WOULD APPRECIATE COPY OF FAIR COMPETITIVE PRACTICES ACT. GARDNER

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## Message Attributes

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